



CULTIVATE ILLINOIS

STORM AND DROUGHT LOAN PROGRAM

Frequently Asked Questions

The **Cultivate Illinois Storm and Drought Program** is a low-interest loan program that helps Illinois agriculture professionals recover from weather-related damage to farmland.

How does the program work?

For each loan, the Treasurer's Office deposits funds at a discounted rate into an eligible bank or financial institution. The Treasurer's Office "buys down" the interest rate, enabling farmers to secure below-market rates for up to the first five years of the loan.

Who is eligible?

Illinois farmers located in areas that have been declared a natural disaster area by appropriate governmental authority. The farmland must have sustained damage due to the weather. A bank or financial institution must approve the loan before the borrower applies to take part in the Treasurer's program. Borrowers must complete and submit an application to the Treasurer's Office prior to the start of and project or repairs.

What are the payment options?

Storm and drought victims with adequate insurance are eligible for one -year, low-interest loans with interest-only payments. Storm and drought victims without adequate insurance are eligible for loans ranging from one to five years.

What is the amount of the loan?

The amount is typically based on the estimated costs for recovery related to the disaster.

What is the interest rate?

The Treasurer's Office quotes the discounted deposit rate available at the time the deposit is made. Deposit rates are calculated daily and are available by visiting www.treasurer.il.gov and clicking the Daily Rates link. The financial institution may not mark up the deposit rate by more than 2.5 percent.

What is the term of the loan?

The loan term is 12 months for storm and drought victims with adequate insurance. Terms for storm and drought victims without adequate insurance vary depending on the amount of the loan.

Amount of Loan Deposit	Length
• \$0 - \$5,000	12 months
• \$5,001 - \$10,000	24 months
• \$10,001 - \$25,000	36 months
• \$25,001 - \$50,000	48 months
• \$50,001 and up	60 months

Does the program guarantee the loan?

The program does not provide a loan guarantee or any type of credit enhancement to the borrower, nor does it have any impact on the financial institution's normal credit requirements.

Which lenders are eligible to participate? What if my financial institution is unfamiliar with the program?

More than 400 banks and financial institutions are eligible to participate in the Treasurer's Economic Opportunity programs. Contact the Treasurer's Office or visit www.treasurer.il.gov for a complete list. If your financial institution does not participate or has questions about the program, please refer its loan officer to the Treasurer's Office.

How do I apply?

1. Contact our Cultivate Illinois division to confirm you qualify for the program and receive a list of participating lenders.
2. Apply for a loan at a participating financial institution and obtain an agreement to use the program.
3. Complete and submit the Program Application and the Application for Deposit, which are available in the Cultivate Illinois section of the Treasurer's website, www.treasurer.il.gov. The Application for Deposit and the Program Application should be faxed to (217) 522-1217.
4. If the application is approved and the lender has sufficient collateral, our Banking Division will perform a transfer of funds into the financial institution so that the funds are made available to the borrower.

For further information and assistance, contact our Cultivate Illinois: Storm & Drought Division at (217)557-6436

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